

THE LATEST



SEAMARK
Asset Management Ltd.

INVESTMENT COUNSEL

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April 2010



A GREAT START TO THE NEW YEAR

It was an exciting first quarter of 2010 at SEAMARK. We successfully completed our business combination to create our new parent company, Matrix Asset Management Ltd. As the institutional and high net worth portfolio management company within Matrix, SEAMARK Asset Management Ltd. is well positioned to deliver our disciplined and prudent investment management approach to both existing and new clients across Canada. The renewed corporate stability arising from our new structure is already paying dividends. For the first time in two years, we experienced positive net asset inflows on behalf of institutional clients during the quarter and a positive increase in assets under management overall.

Our investment team continues to deliver solidly positive returns with relatively low volatility. By adhering to our investment discipline, we are achieving our objective to first preserve, and then enhance client's capital.

Everyone at SEAMARK is dedicated to providing the best possible service to each of our clients. We welcome the opportunity to speak to you at any time. I can be reached through our toll free number at 1-888-303-5055, or by my direct line (902) 425-3551.

Sincerely,

Brent Barrie, LL.B., CIM, CFA
Chief Executive Officer

S&P/TSX Composite

March 31	12038
1 Year ago	8720
3 years ago	13166

S&P 500

March 31	1115
1 Year ago	798
3 years ago	1421

Canada Overnight Rate

March 31	0.25%
1 Year ago	0.50%
3 years ago	4.25%

US Fed Funds Rate

March 31	0 to 0.25%
1 Year ago	0 to 0.25%
3 years ago	5.25%

10 yr Canada Bond

March 31	3.57%
1 Year ago	2.78%
3 years ago	4.11%

10 yr US Treasury

March 31	3.83%
1 Year ago	2.67%
3 years ago	4.65%

C\$ (vs. US\$)

March 31	\$0.9849
1 Year ago	\$0.7935
3 years ago	\$0.8666

Gold (US\$/oz)

March 31	\$1113.25
1 Year ago	\$919.15
3 years ago	\$663.79

WTI Crude Oil (US\$/bbl)

March 31	\$83.76
1 Year ago	\$49.66
3 years ago	\$65.87

INDUSTRY QUARTILE RANKINGS

Periods ending March 31, 2010	Three Months	One Year	Two Year	Three Year	Four Year	Five Year	Ten Year
SEAMARK Pooled Balanced Fund	4 th	4 th	2 nd	1 st	3 rd	3 rd	2 nd
SEAMARK Pooled Canadian Bond Fund	3 rd	3 rd	1 st	1 st	1 st	1 st	1 st
SEAMARK Pooled Canadian Equity Fund	4 th	4 th	3 rd	2 nd	2 nd	3 rd	1 st
SEAMARK Pooled U.S. Equity Fund	4 th	1 st	1 st	2 nd	3 rd	3 rd	2 nd
SEAMARK Pooled International Equity Fund	4 th	2 nd	1 st	1 st	1 st	1 st	2 nd

The information presented above represents the quartile rankings of the indicated SEAMARK Pooled Funds compared to a universe of similar pooled funds managed in Canada as measured by the Mercer MPA pooled fund survey. A fund ranked in the first quartile generated a reported performance for that period that ranked in the top 25% of similar funds. A fund ranked in the 4th quartile generated a reported performance for that period that ranked in the bottom 25% of similar funds.

FIRST QUARTER 2010 CIO MARKET COMMENTARY

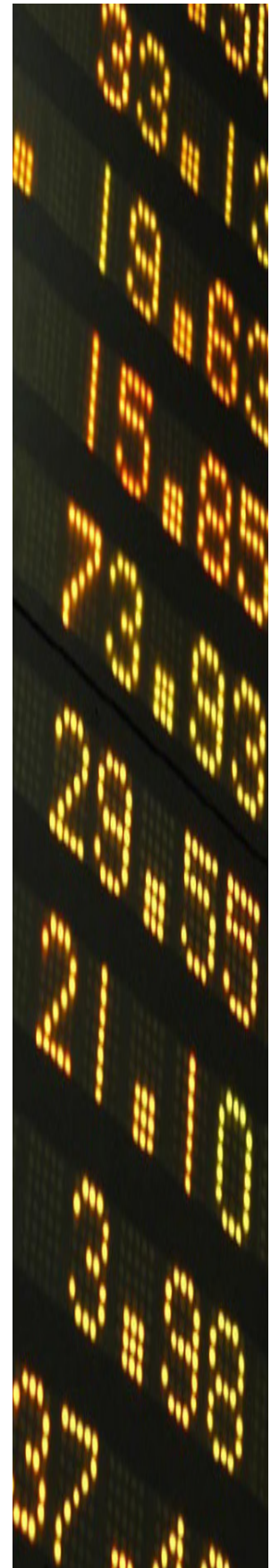
What a difference a year makes. As of the end of March, North American equity markets are now up in excess of 60% from their March 2009 lows - yet still remain below their highs reached in 2007 and 2008. Most major global indices advanced by single digits in domestic currency terms during the quarter.

These advances came primarily in the months of February and March, as equity investors shrugged off any concerns they may have had about Greece's financial crisis or U.S. healthcare reform. Instead they chose to focus on a slew of positive economic data flow that decisively validates the view that business cycle dynamics are driving the global expansion forward.

Growth is picking up again following a modest downshift into the New Year, which caused some trepidation on the part of investors in January. Rising profits and asset prices are prompting firms across the globe to turn toward expansion. Manufacturing is up worldwide. In the U.S., the latest ISM (Institute of Supply Management) report revealed that factory output increased for the eighth month in a row to a level of 59.2, which is indicative of very strong GDP growth. China's manufacturing expanded at a record pace. Canada's domestic economy is strong, with the housing market hot and manufacturing rising for a fifth straight month despite a strong Canadian dollar. France and Germany led Europe to its strongest manufacturing gain in four years.

As this reinvestment by business lifts labor markets and household expectations, consumer spending should produce solid gains, even as the impact from the various global fiscal stimulus programs fade. U.S. consumer confidence rebounded in March to a healthy level. Most notably, however, on Good Friday the U.S. economy produced the strongest monthly payrolls increase in three years. Because this recession has so aggressively afflicted the U.S. consumer, all eyes are focused on this data. A sustainable economic recovery requires sound employment growth - it is indisputable.

Investors are anticipating a robust earnings environment in 2010. S&P 500 Index operating earnings are expected to rise as much as 40% for the year - the highest gain in many of our investment careers. Combined with reasonable equity valuations, merger and acquisition activity driven by strong corporate balance sheets, and high investment liquidity (there remains some \$3 trillion in money market funds, which represents approximately 24% of the S&P 500 value earning virtually nothing), this earnings growth should continue to fuel further advances in global equity markets.



FIRST QUARTER CIO COMMENTARY continued

To be sure, continued tight credit conditions and ongoing adjustments to public- and private-sector balance sheets will temper the longer term pace of growth and cause periodic consternation among investors, but the biggest looming headwind is the coming tightening cycle by central banks. While most central banks have maintained their overnight rates steady so far this year, the Bank of Canada could begin to reign in monetary policy as early as this month, and the U.S. Federal Reserve may need to tighten by this fall.

The remarkable recovery of the major global economies is ironically a good news / bad news story. It appears that interest rates have seen their lows and credit spreads, having declined to close to their pre-crisis levels, have relatively little room to tighten further. Bond investors will likely experience a significant ratcheting up of yields over the coming quarters, potentially resulting in a bond bear market. With current yields as low as they are, the overall bond market appears to offer relatively unattractive risk/reward characteristics. Equity investors should get continued support from strong earnings growth, but at some point soon will begin to behave more cautiously or fret over the coming interest rate increases and their ramifications for profits - possibly creating a bumpier ride for the remainder of 2010.

For Canadian investors, the bumpiness of the ride will likely be magnified by currency considerations. Ballooning government deficits continue to put pressure on the U.S. dollar. The situation in Europe isn't much better, as the financial condition of the five "PIIGS" (Portugal, Italy, Ireland, Greece, and Spain) tests the political will of Germany and France to maintain the integrity of the Euro-zone. With Japan labouring under even higher debt-to-GDP levels and China refusing to allow the yuan to float, the commodity-rich economies of Australia and Canada have been left to experience the biggest currency rate adjustments. With the Bank of Canada expected to begin hiking rates ahead of the U.S., this situation is unlikely to reverse in the near term. So far, the Canadian economy is adjusting well to the stronger loonie. It remains to be seen, however, whether the productivity of the Canadian economy is strong enough to support an exchange rate above par for a sustained period.

The SEAMARK investment team focuses on companies well-positioned to participate in secular growth opportunities in emerging markets and the cyclical growth recovery in developed markets. Overall we continue to view equities favorably based upon valuations, and have positioned bond portfolios with a conservative term to maturity for the year ahead. Despite the economic recovery that is underway, we continually assess the quality and valuations of the businesses we have made investments in, to ensure that we are carefully managing risk within portfolios.



Angela Eaton, CFA
Chief Investment Officer



SEAMARK
Asset Management Ltd.

INVESTMENT COUNSEL

WHAT WE DO AT SEAMARK

We strive to achieve each client's objectives through prudent, ethical and consistent investment management principles which preserve and enhance capital.

PRUDENT

We take the care managing your money as we would our own.

ETHICAL

We do what is right and what is in the best interest of our clients.

CONSISTENT

Our investment philosophy and processes are consistently implemented by an experienced investment team with a long history of working together.

PERFORMANCE

Our investment discipline has provided clients with exceptional performance and risk management over the history of our firm.

SERVICE

Experienced and client focused investment professionals are committed to open and clear communications with each of our clients.

STRENGTH

SEAMARK is prudently managed with strong financials & high corporate governance standards.

CONTACT US

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